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SUBJECT: Agency Involvement in Chile Since 1970

The Recent Past

1. This Agency was not authorized to conduct covert action operations in support of either of the two democratic candidates (Jorge Alessandri and Radomiro Tomic) who opposed Salvador Allende in the 1970 election. Our role in the election campaign was limited to an effort to denigrate Allende and his Popular Unity (UP) coalition. On 4 September 1970 Allende obtained 36.3% of the popular vote, a plurality of only 40,000 votes over Alessandri (34.9%), with Tomic, who represented the left wing of President Eduardo Frei's Christian Democratic Party (PDC) running a poor third (28.8%). In mid-September the Agency was authorized by the 40 Committee to work with Ambassador Korry to persuade the Chilean Congress to elect Alessandri rather than Allende in the 24 October congressional run-off election; the Agency was also instructed to work independently toward a military solution without the knowledge of the 40 Committee, the Department of State or the Ambassador.

2. Alessandri pledged that if elected he would resign, thus paving the way for a new election in which Frei, still the most popular democratic leader in Chile, could legally

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competes. But Frei could not deliver the PDC congressional vote to Alessandri, and indeed made no great effort to do so. On 21 October the Congress elected Allende and the last chance for a political solution disappeared. Agency efforts then focused on inducing a military coup. A number of military leaders shared the U.S. Government's desire to deny Allende the presidency, but their plans required the removal of the Army CINC General Rene Schneider, a firm constitutionalist. Unfortunately the abduction of General Schneider, which was to have been the first step in their coup plan, miscarried. Schneider resisted the abduction and was killed in the ensuing struggle. Revulsion against Schneider's assassination, both in the military and among the Chilean public, was so great that no further action was attempted by the coup plotters.

Since the November 1970 inauguration of President Allende, U.S. policy has been to maintain maximum covert pressure to prevent the Allende government's consolidation. Under this policy the 40 Committee has approved since January 1971 financial support totaling \$6,476,166 for Chilean political parties, media, and private sector organizations opposed to the Allende regime. The most recent 40 Committee approval provided funds for the 4 March 1973 congressional elections.

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which were considered by both the UP and the opposition as a form of plebiscite to determine whether or not the government had a popular mandate to continue the implementation of its revolutionary program. Electoral results (still unofficial) gave the UP 43.39% of the popular vote as compared to 54.7% for the opposition confederation CODE. The opposition failure to obtain a larger electoral majority was not the result of a lack of energy or organization but to the UP's success in appealing to lower class voters and in splitting the country along class lines.

The Present

4. The March congressional elections indicate that Allende's revolutionary program appeals to a sizable portion of the Chilean electorate, which has become polarized along class lines. Despite rampant inflation and acute shortages of consumer goods, lower income groups supported the government even in areas where opposition parties previously had a substantial following. The election results provided a psychological boost to the UP, which now feels strong enough to push for an acceleration of the revolutionary process. The government has been highly successful in its efforts toward absolute control of the economy. In terms of State

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ownership or control, many aspects of the socialist revolution are already irreversible, and the remnants of the private sector believe they face destruction in the relatively near future unless the armed forces can be induced to act. This feeling of desperation is shared by the National Party (PN), which is the party most strongly opposed to the UP. The two small Radical splinter parties which, together with the PDC and the PN, form the opposition political confederation, fared badly in the March elections and are unlikely to play any major role in future developments. The PDC, which remains the largest single party in Chile, is undoubtedly more strongly opposed to the government now than at any time during the UP administration. The PDC is also the only opposition party which is capable of making significant inroads into the UP's electoral strength among lower-income groups. In order to appeal to this lower-class electorate, however, the PDC believes that it must swing to the left, emphasizing the party's "socialist communitarian" doctrine, and at least overtly abandoning its alliance with the rightist PN. The opposition is thus to some extent divided against itself.

5. The UP now believes that it can perpetuate itself in power by electoral means. With the need for a successor in

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1976 in mind, Allende is grooming Socialist Party cabinet ministers Clodomiro Almeyda and Jose Toha, either of whom would be a formidable candidate. At the same time the UP parties have begun to denigrate former President Frei, the opposition leader most likely to be able to defeat them at the polls. The UP intends to continue its program for expanding control over the economy and is confident that its growing economic power will have a significant impact on the political loyalties of the population well before 1976.

6. In contrast to the UP, opposition leaders and groups are pessimistic and increasingly desperate. No opposition group except the PDC can visualize existing in their present form until 1976, and even the PDC is gloomy about the prospects for preventing the UP from perpetuating itself. An increasing number of Chileans in the opposition camp have left Chile, and a continuing exodus of such supporters will weaken the opposition still further. Private enterprise faces the most immediate threat -- even Frei, who formerly championed the need for a healthy and dynamic private sector, stated in April 1973 that capitalism no longer has a future in Chile and announced his support for the concept of "socialist communitarianism" long advocated by Radomiro Tomic. Private

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sector and PN leaders believe that only intervention by the Armed Forces can prevent the irrevocable imposition of Marxism, and they are actively seeking the means to support or bring about such intervention. To date, however, this attitude is shared by relatively few leaders in the PDC, whose support is essential to the success of any military action.

7. The Armed Forces have become the key political force in Chile against their will. They are basically anti-Marxist, but they distrust all political parties, particularly the PDC. They are being wooed by both sides, and some UP personalities, including President Allende and Minister of Defense Toha, have been most effective in their personal appeals and relationships with military leaders. On the opposition side, the Gremialists seem to have most influence. ("Gremialist" has recently been adopted as a label by a variety of middle- and lower-middle class private sector groups opposed to the UP, ranging from truck drivers, farm workers and bank workers to doctors, lawyers, and other professionals.)

8. The Armed Forces have a long and proud tradition of non-interference in politics. They entered Allende's cabinet in 1972 because a Gremialist-led general strike threatened government stability, but left the government immediately after they had carried out their constitutional mandate to insure that the March congressional elections were held peacefully.

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While in office the military ministers acted both to bolster the Allende government and to brake the UP's socialization programs. The Armed Forces have strong hierarchal discipline. The Army, which is by far the most important of the services, is headed by CINC General Jorge Prats, who was Allende's Minister of Interior in 1972, is close to Allende, and has shown no indication of any willingness to move against the government.

The Future

9. Tension, confrontation and coup talk can be expected to continue. The determination of the UP to push its program with renewed vigor will provoke counteraction by the most militant parts of the opposition; that is, the private sector/Gremialists and the PN, which are determined to create a climate of rising conflict. Violence can be expected both from far-left revolutionary groups such as the Leftist Revolutionary Movement (MIR), which will continue their illegal actions to accelerate the revolution. primarily in the

agricultural, housing and industrial sectors, and from the far-right paramilitary organization known as Patria y Libertad (PyL). Heightened political tensions coupled with a dramatic

breakdown of public order could provoke the military to act,

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but it is by no means certain that military intervention would favor the opposition. The military could move against all groups they consider responsible for disrupting the country, and their reentry into the cabinet could serve as in the past to bolster the government even though implementation of some phases of the UP's program might be slowed.

10. There are two major obstacles to the successful implementation of the type of military intervention sought by private sector/PN/PyL leaders, even disregarding the substantial popular support and political power of the UP. The first is the PDC; the second is the Armed Forces themselves.

A. PDC

A recent report [REDACTED] indicates that most PDC leaders are still unwilling to acknowledge (much less advocate) the need for military intervention. PDC members are traditionally and ideologically anti-military and the prospect of a coup is anathema to them. Most PDC leaders still refuse to discuss the desirability of a coup among themselves, much less engage in political tactics designed to promote a coup. Even those PDC leaders who favor a coup as the only solution

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are afraid of undertaking actions which would leave them vulnerable if the military did not move, while the military fear that the PDC would denounce any coup which was undertaken and thus undermine military efforts to restore order. The interests of the military were largely disregarded while the PDC was in power under Frei, and Frei himself has proved to be a weak reed on which to lean. In addition, many PDC members still believe that they will be able to win the 1976 presidential election and would oppose military intervention for this reason. Thus, while some elements of the PDC may come to accept the need for military intervention, the party as a whole seems unlikely to consider a military coup desirable. Mutual distrust between the PDC and the military will act as a strong deterrent to military action.

B. The Armed Forces

Although discontent is evidently increasing in all three military services, there is as yet no reason to believe either that military leaders

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are preparing to move against the government or that such a move would be supported by a majority of the Armed Forces, who have received many economic and other benefits from the UP. Even in the Navy and the Air Force, where dissatisfaction with the government is most acute, there is no active coup plotting at the highest levels but merely a consensus of opinion that the excesses of the Allende regime must be curbed. So far as is known, Army CINC General Prats remains opposed to any anti-government action, while those military leaders who are believed to favor such action have neither the manpower nor the equipment to carry out a successful coup. An unsuccessful coup attempt could split the Armed Forces and result in the destruction of these military and civilian leaders who supported it, or could plunge the country into a bloody civil war.

11. There appear to be two basic covert action options over the next six to twelve month period. The first is to undertake a program designed to provoke the military into action; the second is to support and strengthen the opposition parties and private sector while monitoring future developments

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to see whether popular dissatisfaction with the Allende regime increases to the point where military intervention becomes a practical possibility.

12. The problems involved in active cooperation with the private sector and PN to promote military intervention are the following:

A. Such an action program would be difficult to control. Private sector leaders are desperate men who are willing to take risks. These risks could create grave security problems for the Agency and for the U.S. Government, particularly in the wake of the ITT investigation.

B. Such a program would have to be undertaken without the concurrence of the Ambassador or the Department of State. Ambassador Davis is reluctant to provide even modest support to the business community [REDACTED] because of the level of tension which exists at the present time and because of the past support of the private sector for military intervention. He will most certainly be unwilling to support any action designed to heighten existing tension or to promote a military coup.

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C. We have no real operational control over any opposition sector. [REDACTED] cooperate with us because they need our support, but in any crisis they will act in accordance with what they consider to be the best interests of their own party or organization.

D. The prospects for a successful, relatively bloodless coup must still be assessed as remote. The basic conditions for a successful coup -- the support of the majority of the Armed Forces and the backing of the PDC -- do not exist, although there is a possibility that they may develop in the future.

12. The second option -- to continue to support the opposition parties and the private sector while continuing to cultivate the military and to monitor future developments -- appears to be realistic, and the security risks involved in this option appear acceptable. It is, however, unfortunate that support to the business community [REDACTED] must be subject to the Ambassador's approval, since we judge that the Ambassador's concurrence in such support will be increasingly difficult to obtain as political tensions rise, and that we may be able to do very little to support this important sector at a crucial time.